

## Message Text

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PAGE 01 LIMA 09248 011515Z

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ACTION EB-06

INFO OCT-01 ARA-06 ISO-00 SP-02 AID-05 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-05 NSAE-00 XMB-02 OPIC-03 LAB-01

SIL-01 DODE-00 PM-03 H-01 L-01 PA-01 PRS-01 USIA-06

SWF-01 /072 W

----- 074611

R 011435Z NOV 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 2559

USDA FAS WASHDC

UNCLAS LIMA 9248

E.O. 11652: N/A

TAGS: EAGR, PE

SUBJ: CCC CREDIT

REF: LIMA 7135

1. GOP AGAIN REQUESTING CCC CREDITS FOR PURCHASE ASAP ANOTHER 2000,000 M.T. OF WHEAT. EPSA/EPCHAP INDICATES THAT 100,000 TONS URGENTLY NEEDED REMAINDER 1974 BOTH FOR CONSUMPTION AND FOR BRINGING STOCKS TO SAFE LEVEL, AND THEY WISH TO CONTRACT ADDITIONAL 100,000 TONS FOR JANUARY-FEBRUARY DELIVERY.

2. U.S. APPARENTLY ONLY SOURCE THIS WHEAT. POSSIBLE ACQUISITION 50,000 TONS EACH CANADA AND ARGENTINA WAS STUDIES BUT NO ADDITIONAL WHEAT FORESEEN THESE SOURCES OR AUSTRALIA BEFORE 1975.

3. BESIDES REQUIRING CCC CREDIT TO ALLEVIATE BALANCE OF PAYMENTS PROBLEM AND PRESSURE ON RESERVES, OFFICIALS POINT OUT ADDITIONAL FINANCIAL BURDENS OF SUBSIDIZING FOOD SECTOR TO CONTROL INFLATION PROBABLY OVER \$ 75 MILLION ON WHEAT ALONE) AND ADDITIONAL  
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PAGE 02 LIMA 09248 011515Z

FINANCIAL LOSSES AND DELAYS SUFFERED AS RESULT EARTHQUAKE

DAMAGE TO PORT GRAIN HANDLING AND STORAGE FACILITIES.

4. GOP REQUESTING CCC FINANCING ONLY FOR WHEAT, OWING TO CRITICAL POSITION WHEAT FOODS IN ECONOMY. EPSA ALSO FORESEES NEED FOR ANOTHER 50-100 THOUSAND TONS CORN BEFORE YEAR'S END AND ANOTHER 45,000 TONS OF RICE. THEY ALSO POINT OUT RECENT PURCHASES ADDITIONAL VEGETABLE OILS TALLING OVER \$ 8 MILLION (SEE TOFAS 84).

5. FURTHER PURCHASE 100,000 TONS WHEAT WOULD BRING TOTAL IMPORTED WHEAT CONSUMPTION FOR 1974 TO ABOUT 840,000 TONS, COMPARED 780,000 LAST YEAR.

6. GOP AWARE REPORTED APPROVAL PL 480 WHEEAT FOR CHILE. ALTHOUGH NOT REQUESTING CCC CREDIT ON THOSE GROUNDS, PERU NEEDS AND WOULD VERY MUCH WELCOME CCC FINANCING FOR AT LEAST ANOTHER 100,000 M.T. U.S. WHEAT. EMBASSY CONCURS IN THIS RECOMMENDATION.  
DEAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, WHEAT, PROCUREMENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 NOV 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LIMA09248  
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30 JUN 2005

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**Subject:** CCC CREDIT  
**TAGS:** EAGR, PE, CCC-3  
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